

# NEWSLINE EIGHT

Volume 14 October 2008

**SBA's Monthly  
News Update  
-SERVING-  
COLORADO  
MONTANA  
NORTH DAKOTA  
SOUTH DAKOTA  
UTAH  
WYOMING**

Newsline Eight is circulated to our resource and lending partners by SBA's Region Eight Office

**Russell Smith**  
Regional Administrator

**James R. Henderson**  
Regional Advocate

**Christopher Chavez**  
Regional Communications Director

**Carol Helm**  
Regional Resource Coordinator

Helping small businesses  
**start, grow and succeed.**



Your Small Business Resource

## RUSSELL SMITH NAMED REGIONAL ADMINISTRATOR

Russell Smith was named the new Region VIII Administrator on September 7th. Smith will oversee the region's district offices and the implementation of agency programs, services and priorities. In his first 30 days, Smith immediately began working with his district directors to develop strategies on ways that the SBA can better help small business owners in the region cope with the current economic slowdown. "After talking with our district directors, lending partners, community leaders, and the small business community I determined that our programs and services are even more vital today than at any time in last several years," states Smith. "The message is clear. Credit has tightened over the last several weeks, but credit worthy small businesses are still getting the financing they need. If you own a small business that is having financial difficulties, or seeing a downturn in business activity, you need to contact the SBA now—not when your business is ready to close its doors." Smith was instrumental in helping develop the very successful Small Business Economic Hotline concept in Region VIII. Five of the six district offices have already implemented a hotline that small business owners needing immediate assistance can call to seek guidance and advice on business related issues. Smith comments, "All Americans want a government that is responsive to the immediate issues and needs of their community. The economic slowdown, and tightened credit markets, have had a direct affect on our main constituents—America's entrepreneurs. The SBA saw an impending problem and instituted a small business economic hotline in five states to get small business the support it needs now. That is effective government. I am proud of the team we have in this region."



Smith has served in two roles since joining the SBA in 2007: as a senior advisor in the Office of Capital Access and as the deputy director for the Office of Communications and Public Liaison (OCPL). With a portfolio worth close to \$80 billion, SBA is the largest single financial backer of America's small businesses. Smith has advised the head of Capital Access on a wide range of issues, including an upcoming reorganization, communications with lending partners, and policies. Within OCPL, Smith managed operations and projects, coordinated all major internal communications efforts and advised SBA's

Administrator on external and internal agency-wide communications issues. Prior to the SBA, Smith spent more than seven years at Corporate Executive Board, a for-profit firm serving some of the world's pre-eminent corporations with strategic and best practices research. He worked for three years in sales and sales management before moving to the executive education practice, where he counseled senior corporate leaders on a wide range of strategic issues relating to marketing, communications, and sales. Smith, whose family runs several small businesses, including a farm in north-central Kentucky, spent time in the energy law practice of White & Case, a New York-based firm with more than 30 offices worldwide. He also worked at the Army Historical Foundation, a veterans' non-profit, based in Arlington, VA. Smith graduated from Georgetown University in Washington, DC with a degree in political philosophy. He has also taken graduate courses at the American Military University and the University of Maryland-University College. He is a native of Louisville, KY.

## SMALL BUSINESS WEEK NOMINATIONS SOUGHT

The U.S. Small Business Administration is now accepting nominations for its 2009 Small Business Week Awards. This includes nominations for its prestigious Small Business Person of the Year award, and Champion Awards. All state award winners will compete for both regional and national honors. The national celebration will be held in Washington D.C on May 17–23, 2009. The deadline for all nomination packages is Wednesday, November 12th. **All nomination information and forms are located at <http://www.sba.gov/nominationsguidelines>.**

## SBA OFFICES LAUNCH FIRST-EVER SMALL BUSINESS ECONOMIC HOTLINES

Five district offices in Region VIII have launched their first-ever **Small Business Economic Hotlines** in response to the concerns raised by the nation's small business community during these uncertain economic times. The purpose of this hotline is to give small business owners a single phone number they can call with business related questions. Calls to these phone numbers will be promptly returned by SBA staff in the different district offices. "Small businesses across our region have raised concerns about how they can survive given today's economic situation," states Russell Smith, Region VIII Administrator. "I believe it is critical that the SBA in each state provide a single phone number for our small business community to get the answers they need on questions relating to surviving in this environment. Our business experts from the Small Business Development Centers, SCORE, and other education organizations can advise them on ways to enhance their marketing plans, re-evaluate their business plans, and look for new sources of financing. Many of these services are "free of charge." The hotline numbers are as follow: Colorado (303) 844-2607 X 401; Montana (406) 441-1095; South Dakota (605) 330-4243 Ext 10; Utah (801) 524-3204; Wyoming (307) 261-6505

## NORTH DAKOTA SMALL BUSINESS TAX TRAINING

A free MN/ND Sales Tax Seminar will be offered on October 28th, from 9:00am to 12:30pm, in the West Acres Shopping Center lower level Community Room, I-29 and 13<sup>th</sup> Avenue South in Fargo. Registration begins at 8:30am. Participants will learn how to handle state sales taxes in ND, MN or both; have an awareness of the major differences between ND & MN sales tax laws; understand how these differences may affect your business; and learn practical tips on how to manage sales & use tax obligations for both states. This free workshop is made possible by the joint efforts of the ND and MN Revenue Agencies and is sponsored by SCORE, Counselors to America's Small Business. For more information, call the SBA at 701-239-5131.

## Montana District Office's 8(a) Graduate of the Year

Silver Wolf Enterprises of Great Falls, Montana has been named the SBA's 2008 8(a) Graduate of the Year for Montana. Silver Wolf Enterprises is a wholesale distributor for American Standard water heaters, Bunn coffee brewers, Mr. Slim A/C Units, Whirlpool & Frigidaire appliances, Manitowoc & Scotsman ice machines, water distillers, Oasis water fountains, and commodities for resale. The company sells to government entities located throughout the United States and around the world. John Gilbert, Owner/CEO, launched Silver Wolf Enterprises in 1998, offering Durastill water coolers and water products. Wanting to break into the government contracting arena, he applied for and was accepted into SBA's 8(a) Minority Enterprise Development Program in June of that year. In 2000, Gilbert diversified his business and branched out into offering commodities for resale, and now sells everything from frozen beef to

canned peas to the USDA. Gilbert was successful in being added to the GSA multiple schedules as a supplier for bungee cords, water coolers, and appliances in 2003. Throughout Gilbert's tenure in the 8(a) Program, he received close to 100 government contracts totaling nearly \$22 million. Silver Wolf Enterprises graduated in June 2007. For Gilbert, the 8(a) program provided not only an enhanced marketing opportunity to access the government marketplace, but also valuable training and critical networking opportunities. "Silver Wolf Enterprises leveraged their 8(a) status in the early years to gain exposure and experience in competing for government contracts," said SBA District Director Michelle Johnston. "It's solid reputation and superior customer service has solidified its position as a leader in this arena." SBA will present Silver Wolf Enterprises with the 8(a) Graduate of the Year Award on Thursday, October 16, 2008.

## SOUTH DAKOTA OFFICE

The Independent Community Bankers of South Dakota Biennial Trade Show & Annual CEO/Directors' Conference, combined for the first time this year, will be held at the Sioux Falls Best Western Ramkota on October 29th – 30th. David L. Kemp, President of Bankers Management Inc. and James S. McClaren, Founder/President & Managing Director of StrathKirn, Inc. will be the featured speakers. Jim Beddow, Senior Consultant for the Rural Learning Center, will present a trade show break-out session to discuss the economic and demographic trends impacting rural South Dakota. The Small Business Administration and the Small Business Development Center will be hosting a booth at the trade show. For more information, contact Ginger Adams at (605) 996-9329.

## UTAH DO UPDATES

The NADCO Western Regional Directors Mid-Year Conference will be held at the Zermatt Resort & Spa, Midway, Utah on October 20th–22nd. This conference will provide valuable up to the minute information and updates on Hot 504 topics. The SBA will participate in the NADCO conference on a panel that will discuss marketing the 504 lending program. Go to <http://www.morrismeetings.com/reg/nadco2008>.

On Tuesday, October 21st the SBA will participate in the 3<sup>rd</sup> Annual Utah Procurement Symposium. The procurement symposium will be held from 7:30 a.m. to 3:30 p.m. at the SouthTowne Expo Center in Sandy. The symposium will emphasize how to sell to the government and military. For more information, email [PTAC@utah.gov](mailto:PTAC@utah.gov).

### THE IMPORTANCE OF ANGEL INVESTING BY JIM HENDERSON, REGIONAL ADVOCATE

Angel investing has long been considered an important, albeit informal, component in financing small business growth. A new report funded by the Office of Advocacy provides insights into how large the angel capital market is, how much demand there is for angel capital, and what companies that receive angel financing look like. The report – *The Importance of Angel Investing in Financing the Growth of Entrepreneurial Ventures*, written by Scott Shane – provides an accurate understanding of the role of angel investing. It clearly defines an angel investor as a person who provides capital, in the form of debt or equity, from his/her own funds to a private business owned and operated by someone who is neither a friend nor a family member. This study finds that 1) the angel capital market is smaller than is generally believed, 2) few companies are appropriate for angel financing, and 3) angel investments are smaller and less sophisticated and include more debt than is commonly thought. A primary finding is that the typical business that has received an informal equity investment is very small – typically with sales of \$435,000, seven employees, profits of \$7,000 and an average age of 13.3 years. National and state policy-makers will find the study helpful in understanding the importance of angel capital markets to entrepreneurial ventures and will be of value when they evaluate policy options to enhance the growth of entrepreneurship. The full report is available under the “What’s New” section at [www.sba.gov/advo](http://www.sba.gov/advo).

### WYOMING DISTRICT OFFICE

It is critical to maintain your good credit. The Small Business Administration, Natrona County Public Library and the Wyoming Small Business Development Center have some ideas on how to improve your credit score, or keep your current credit clean. As you may know, your credit score can impact both your personal and business life. This free workshop will be held in Natrona County Public Library's Crawford room on Monday, November 3<sup>rd</sup>. Call SBA's Deb Farris for more information at [debra.farris@sba.gov](mailto:debra.farris@sba.gov) or call 307 261-6510.